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ABSTRACT

Two papers presented in the broadcast deregulation section analyze narrowcasting and the effects of commercialization of British television respectively. The first paper, "The American Model through British Eyes" (Jay G. Blumler and Carolyn Spicer), describes research undertaken at the request of the British government-appointed "Peacock Committee" by the Centre for Television of the University of Leeds on the consequences of seeking alternative funding sources, including advertising and sponsorship, on British television. Interviews with 75 American television executives, producers, and writers, and 120 British program makers form the basis of the inquiry. The paper draws comparatively on this material to define the main values at risk in a deregulated television system that is heavily dependent on advertising revenue. A list of eight references is provided. The second paper, "The Economics of Narrowcasting" (W. Russell Neuman), analyzes the tension between new technologies which make possible more personalized and specialized narrowcast communication, and the distribution of public communication which constrains narrowcasting. The paper questions whether there are available policy options which would facilitate new technological options, such as personalized videotext and teletext systems, even in a climate of regulatory restraint. Only an abstract is provided for the second paper. (Author/EW)

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TELECOMMUNICATIONS POLICY RESEARCH CONFERENCE

Broadcast Deregulation Section

Airlie, Virginia

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Jay G. Blumler and Carolyn Spicer: The American Model Through British Eyes

In 1985 the British government appointed a committee under the Chairmanship of Professor Alan Peacock to assess future financial options for the BBC, including advertising and sponsorship. The Committee subsequently commissioned from the Centre for Television Research, University of Leeds, a series of national case studies of the consequences of alternative funding sources for program range and quality. The two main enquiries were based on: 1) interviews by the authors with a cross-section of 75 American television executives, producers and writers and other strategically placed individuals on the East and West Coasts; and 2) interviews with a cross-section of 120 program makers in the United Kingdom, securing their perceptions of the creative environment in which they were operating and how funding factors impinged on this. The paper draws comparatively on this material to identify and define the main values at risk in a deregulated broadcasting system that is heavily dependent on advertising revenue. Taking account of the Peacock Committee report itself, it concludes by raising questions about the likely impact of market-driven new media on such values.

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THE AMERICAN TELEVISION SYSTEM THROUGH BRITISH EYES

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Paper presented to The Fifteenth Annual Telecommunications Policy Research Conference, Airlie House, Virginia, September 27-30, 1987. The research reported in this paper was supported by a contract from the British government Peacock Committee on Financing the BBC and a grant from the John and Mary R. Markle Foundation.

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In this paper we first offer a comparative analysis of strategically placed broadcasters' perceptions of the prime driving forces that structure the production and provision of television in the United States and Great Britain. Second, we draw conclusions from the analysis about the relationship of so-called "regulation" and "de-regulation" to the values that may be served or be at risk in broadcasting systems. For purposes of policy discussion, the value of such a comparison lies largely in its ability to expose the taken-for-grantedness of a given system's entrenched assumptions and practices.

The following material stems from enquiries undertaken in autumn 1985 through the Centre for Television Research at the University of Leeds for the Peacock Committee on Financing the BBC. That Committee was appointed by the British government to explore new funding options for the BBC, which, throughout its half century of existence, has depended almost entirely on revenues from a license fee that is paid annually by television set holders at a level fixed by the government and collected by the Post Office. The Committee commissioned from the Leeds Centre a series of studies of the implications of alternative funding sources for "the range and quality of existing broadcasting services." Two of these enquiries concern us here. One comprised interviews with a cross-section of 75 individuals working in or knowledgeable about American television, seeking to identify the impact of competition for advertising on the range and quality of

commercial network programming and to consider the lessons that might be drawn for British broadcasting (should the BBC be expected to sell advertising in competition with the country's already commercially funded Independent Television companies). The other was based on interviews with a cross-section of some 120 executives and program makers in Great Britain, securing their perceptions of the creative environment in which they were operating and how funding factors impinged on this.

Of course, British television has always been more closely regulated than American television. Although this is not the place for a detailed comparison of their regulatory structures, for background understanding a few features of the British system should be mentioned.

Britain's four television channels are divided between two broadcasting services. The British Broadcasting Corporation provides two mostly nationally networked channels, BBC-1 and BBC-2, the latter including a larger proportion of programs likely to appeal to minority and specialist audiences. The other source of service, so-called Independent Television, which began broadcasting in 1955, is rather more complex. It includes both a regulatory agency, the Independent Broadcasting Authority (IBA), and 15 regionally organized companies, which make programs and transmit them to a defined area of the country, as well as Independent Television News for a national news service and TV-AM for breakfast television. Until 1982 the Independent system had only one television channel, but in 1980 it was authorized by an Act of Parliament to open a second under the title

of Channel 4. This was legislatively enjoined to provide programs different in kind from those broadcast by BBC and ITV-1 and to commission a significant proportion of its output from "independent producers," that is, producers not employed by the BBC or the 15 ITV companies.

It is assumed that in return for the privileges conferred on them by Royal Charter and License (BBC) and statute and franchises (ITV), British broadcasters should be answerable for their fidelity to certain public requirements. These have mainly taken the form of broad expectations, which are spelled out in the Independent Broadcasting Act for ITV and were accepted in identical form for the BBC (whose Charter is mainly an enabling document) in a letter sent by its Chairman to the Minister responsible for broadcasting affairs. The chief duties are to preserve due impartiality in news and treatment of controversial issues, not to editorialize, to provide balanced schedules of good-quality programming, to avoid incitement to crime and offenses to decency and (for Independent Broadcasting) to control advertising for amount, misleading claims and separation from program content.

The British system is notable for its "arms-length" relationship to government departments and the lack of any significant role for the courts. The ultimate regulatory and supervisory responsibility falls on the top broadcasting councils, the BBC Governors and IBA Members (appointed by the government for five-year terms of office), who are expected to combine two functions: on the one hand, "to intervene, chide or even discipline the broadcasters in the public interest"; and on the other hand, to "stand up for the broadcasters' independence and

defend them if they consider that in controversy with Government, or with pressure groups of one kind or another, broadcasters are in the right" (Annan, 1977).

The regulatory role of these bodies is probably best exemplified by the IBA, the powers of which are considerably greater than those of the FCC. For example, it is the IBA, not the program-making companies, which is held legally responsible for what is broadcast. The Authority receives proposed schedules three months in advance, and its approval is required before they can be introduced. The Authority may ask to see scripts of intended programs if it thinks there is a danger that law or policy may be violated in some way--or to see video cassettes of finished programs for the same reason. It can require cuts or even ban a program from appearing at all, if this is necessary to stay within the legal and policy bounds as it interprets them. Above all, it awards and renews the companies' franchises at periodic intervals, when rival applications are solicited and seriously considered. The fact that the franchises are not held in perpetuity and that their renewal is no mere formality has been highly significant. On the two occasions when the ITV contracts, first awarded in 1955, were reconsidered (1968 and 1980), certain major companies lost their franchises to competitors. Thus, the companies have been under powerful inducements to work for goals valued by the IBA, since failure to do so could eventually result in the loss of their contracts.

I

We begin with a preliminary disclaimer about British broadcasting, a system in flux facing many difficult problems and challenges. Although the Leeds report (Blumler, Brynin and Nossiter, 1986) indicated that on the central issue the international lessons were full and unambiguous--competition for advertising on any scale would be quite destructive of program range and a threat to many facets of program quality--the British system's performance should not be romanticized or over-idealized. Faced with close pressure on the no-longer buoyant license fee (in the future it will rise proportionately with the Retail Prices Index), BBC management structures are being reorganized, new executives being appointed, inessential posts being axed, remuneration levels and working practices being renegotiated with the trade unions, and other economies being sought. As channels have increased from two to four, audience competition between BBC and ITV has become more intense, though not yet reaching a state of all-out war over each and every time slot. Both sides have learned and are vigorously applying the arts of "aggressive scheduling" (which has even become a term of commendation). A comparison of TV schedules between 1975 and 1985 indicates a weakening of commitment to balanced programming provision (though this has by no means been entirely abandoned), with an increased concentration of more serious material at the fringes of prime time and on the minority channels (BBC-2 and Channel 4) and for the BBC "a pronounced fall in drama and an equivalent rise in American and British feature films" (Nossiter, 1986). There is more dependence

on co-productions and co-financing with international partners. The viewer can certainly watch quite a few American series on British television at present: Dallas, Dynasty, Hill Street Blues, Cagney and Lacey, Moonlighting, Golden Girls, The Equalizer, and many others. There are also some crass imitations--for example, ITV's Good Morning Britain!

British broadcasting today is thus a highly complex enterprise, shot through with many cross-currents and uncertainties. Presumably that is why: one of our British informants offered the working definition of public service as "enjoying crowds and satisfying minorities"; the author of the British report, Dr. T. J. Nossiter, entitled it, British Television: A Mixed Economy (1986); and the American report declared that the British research for the Peacock Committee had graphically disclosed "a system that delicately balances strong incentives to attract large audiences with genuine though vulnerable commitments to programme range and quality" (Blumler, 1986).

That said, six focal Anglo-American contrasts emerged from the two interview-based enquiries.

Advertisers' rights

A nearly "no-holds barred" approach seems to characterize what advertisers may do with and get out of American television, compared with the more stringent British controls and limits. As Sepstrup (1986), a Danish scholar, has put it, advertising has been treated as the "guest of honour" in much of American television, compared with its status as "a tolerated visitor given a humble place at the table" in most European broadcasting systems. It is true that in both

American and British television, there are "arms-length" conventions over advertisers' direct involvement in programming, and agency representatives we spoke with disclaimed any wish to try and censor the networks (though in the next breath one said, "Now we can respond simply by not buying"). Nevertheless, we concluded that an advertising-dominated broadcasting system tended to confer on advertisers a sense of their near-proprietary right to have their interests served by television.

Take the amount of time given over to commercials. According to our American informants, this tends to stay just on the safe side of viewers' tolerance. In comparison with a British maximum of seven minutes of advertising in any single clock hour, enforced on ITV by the Independent Broadcasting Authority, one American network's code stipulates a prime-time maximum of ten minutes ten seconds per hour, rising to 16 minutes at certain other times of the day. The rules on placement also differ, with consequences for dramatic and news programming. In American television, for example, there is no equivalent to the British rule that advertising should appear only in "natural breaks." Consequently, American series and serials are constrained to build in periodic climaxes, cliff-hangers and tense moments before every commercial pod. And compared with the four or five commercial breaks in American network news shows, severely limiting news item lengths and the analytical load that any of them can carry, ITV's nightly half-hour News at Ten is interrupted by just one advertising break.

Moreover, advertiser interests can encroach on American program content in ways that would be thought quite unacceptable in Britain.

Of course, the commercialization of children's programming, involving close ties between leading characters and toys on sale in the shops, is an extraordinarily blatant and familiar example. Another, of which we were unaware until we "discovered" it in the course of our enquiry, seemed equally shocking. This concerns the facilities, which the networks have willingly granted a cooperative of the leading advertising agencies, to preview all prime-time programs (other than news and public affairs) to check their compatibility with individual advertisers' program content guidelines and sensitivities. As we summed up in our report (Blumler, 1986):

> . . . advertisers are allowed comprehensively to preview programs for their content suitability; if dissatisfied, they can exert the sanction of withdrawing commercials even at the last minute, thereby penalizing the network financially should it happen on any scale; and the networks have an interest in avoiding such an outcome.

To us, it seemed highly anomalous that procedures, which are so potentially conducive to a "chilling effect" on adventurous and unconventional programming, should be routinely and passively accepted in a society that is otherwise so genuinely committed to First Amendment guarantees of a free press and free expression.

Audience maximization

The Anglo-American contrast also highlighted different attitudes to the quest for requisite audience sizes. In a fully commercial, market-sensitive and little-regulated system, this goal is paramount, perhaps even sovereign, often single-mindedly overriding other programming considerations. But in a public service system, even one that is competitive, this drive can be significantly complemented and leavened by other concerns. Thus, in market-based funding systems

(such as competition for advertising), the many influences that encourage broadcasters to seek large audiences are not only intensified but also universalized, imposed implacably on all forms of programming for all days and hours of the schedule. But when competing broadcasters depend on <u>different</u> revenue sources, as has been the case in Britain, each side can afford to lose out a bit in the audience race from time to time and to pursue other goals as well, easing pressure on each and every program to earn its keep with maximum ratings. The British balance on these matters is quite well expressed in these two passages from Nossiter's (1986) report:

> At present the art of scheduling predominantly remains building an audience and retaining its allegiance for a varied provision which bears in mind not only the disparate tastes of different customers but also the fact that individuals are themselves a bundle of preferences whose palates could become jaded or narrowed with "more of the same."
>
> Ultimately the criterion may be the audience ratings in relation to the norm for a program type but it is assumed that a program will have ample time to grow, to cohere, and to establish its place with the audience.

Moreover, the predominance of the audience-maximizing principle has had far-reaching consequences for network television. It helps to explain, for example: (a) the privileging of entertainment programming and the reason why, virtually without exception, prime time is fun time; (b) the imposition of entertainment criteria on other forms of programming, such as current affairs magazines and documentaries; (c) investment in systematically comprehensive audience response research, testing popular reactions to concepts, characters, situations, relationships; (d) a heavy reliance on producers with so-called "credits" or track records of having managed to pull off high-rated

program successes in the past; (e) the emergence of various rules of thumb over what is most likely to attract audiences--inclusion of top stars in the cast and emphases on production values, glamor, faraway places, tension, pace, energy, action, melodrama and human interest; and (f) wariness over creative risk taking. Often there is also (g) a premature retirement and replacement of programs not reaching their audience targets--in contrast to the greater readiness of the British services to give programs time to demonstrate their appeal--as with Spitting Images, the puppet-based satirical program that according to Nossiter (1986) took three series "to achieve its full potential and cultural status."

Program range

The two systems under discussion here differed markedly over the values of program range, diversity and choice. A core tenet of British broadcasting is that programs should cater to all interests and tastes, including those of minorities as well as majorities, not obliging the former to live like insomniacs in order to view what they would like to see. How seriously this principle has been taken can be gauged by the clause in the Independent Broadcasting Act that obliges the Independent Broadcasting Authority to ensure that ITV schedules offer "a proper balance and wide range of subject matter having regard both to the programmes as a whole and also to the day of the week ... and time of day" they appear.

By contrast, we found in network television a system that was decidedly inimical to broadcasting range--of program form, of choice of offerings at a given time of day, of viewer affect and experience stimulated. It is not only that in scheduling terms, the viewer's

choice of program type across the three networks is extraordinarily limited; not only the disappearance of arts programs, less community programming, the decline of the documentary, and virtually no single plays; not only that childern's programming is predominantly confined to cartoons, featuring robots, animated creatures, dolls and space fantasy heroes.

It is also the biasing of so many program offerings toward what pleases immediately, what requires little viewer effort, what does not strain at the leashes of familiarity and acceptability. Disadvantaged, then, are: drama that only unfolds gradually and eschews pat and reassuring solutions; one-off productions that cannot be readily hyped in advance publicity; irony and satire; in-depth informational programming; and programs intended to awaken children's imagination and awareness of a wider world. In such a system the implicit terms of the network's "social contract" with its viewers are relatively narrow. It promises only to grab attention, excite or relax, facilitate escape and keep one abreast of top-breaking news stories.

Program quality: aspirations and notions

Both enquiries elicited informants' ideas about program quality. In both cases we found that program makers cared about this. In its published aims and objectives, for example, the Hollywood-based Caucus for Producers, Writers and Directors recommends "that network programming be more responsive to program quality and less responsive to ratings systems." Caucus members are particularly concerned about creative autonomy, wanting more chances to make production decisions for themselves, free from supervision and revision by noncreative

officials. We met a number of American producers who expressed a desire to inject something worthwhile into programs, artistically perhaps, in craft terms perhaps, or for social reasons--to convey a constructive message, to provide suitable role models or to attract attention to a significant social problem (as in certain "movies of the week"). Nevertheless, three broad differences emerged from our comparative forays on this front.

First, whereas many British interviewees seemed to command relatively clear and distinct senses of what they meant by "quality," it was as if the issue over what defined or constitued it was more confused in the American system. Quite a few informants had difficulty dealing with our questions in the abstract. Sometimes they answered in terms reducible to craft professionalism--"better treatment, acting, writing" in the words of one. Sometimes they equated "quality" with a capability of holding and pleasing a large audience--as with the offical who said, "Network television is like a democracy, in which the voters are the homes that Nielsen tracks," and another network executive, who, when asked what quality programs he preferred, simply replied, "Hits!" Nossiter (1986), however, found a readier ability to distinguish quality from mass audience holding among his British contacts, and to discourse at length on such standards, which he was able to group into four categories: production values, clarity of objective, innovation, and relevance (societal and personal).

Second, the British system seemed to provide a home for communication aspirations that rarely surfaced in the American survey. There was the current affairs producer who described British

broadcasting as "the principal forum which enables the whole nation to talk to itself"--television, then, as a vehicle of sustained political dialogue (something which the British system most noticeably aims to realize at election time, not only with numerous political interviews and discussions but also with news programs doubled in length to add election backgrounding and analysis to campaign trail reports).

There was the concern to communicate something intelligibly about culture, arts and science to an audience reaching well beyond the cognoscenti and the already involved. A science programmer, for example, told Nossiter that:

> . . . The criteria I used when finding a subject was first to find the kind of topic that turned me on and then I would say I really would like to get this over to a general audience.

And an arts programmer proclaimed, "Never before has there been the opportunity to speak to all the people or to make available to them the whole of British culture." This contrasts with our American report's (Blumler, 1986) rather harsh comment on how:

> . . . commercial television perpetuates a sort of "cultural infanticide," the prospect of representing the work of American high culture on the screen being as if aborted at source.

There were the producers in the regional ITV companies who saw their work partly in terms of nourishing networks of geographical identities and ties, "sustaining community in parts of Britain that are sparsely popluated and remote from London," as one put it; while another declared, "Manchester should not only be able to talk to itself. It should talk to London, and through the network it (has) as much right to talk for Britain as the metropolis." The spread of

British soap operas seems to illustrate this aspiration in the dramatic field particularly well, with Eastenders set in dockland London, Coronation Street in traditional working-class Lancashire, Crossroads in the Midlands, Brookside in a socially mixed Liverpudlian housing estate, and Emmerdale Farm in the more rural Yorkshire Dales. These relatively authentic settings stand in some contrast to the nowhereness of much equivalent American material, as deplored by a critic we interviewed:

> The soap operas here, they could be in any suburb except in Alaska or Hawaii. And those TV movies, they're always in some vague location somewhere outside New York City.

Then there was the idea of communicating something of value to audience members beyond simply grabbing and holding their attention. For example, an Eastenders' producer said:

> We are trying through our serial to make people think about relationships and the problems around us--whether it's race or teenagers and their parents, or caring for the elderly.

And a script writer told Nossiter that:

> What I like about a good quality program is something where there may be meanings at more than one level and where you perhaps engage people by something that is relatively straightforward (and) in fact get across a general point in a way that is more likely to be accepted than by attacking the point head-on.

There were also those who wanted to offer audiences fresh horizon-broadening material, like the producer who commented that, "Introducing the audience to new experiences is something which television does extremely well," mentioning Monty Python's Flying Circus as an example.

Third, "quality" considerations seemed to have less standing at American networks' than at British BBC and ITV tables when program

decisions were being taken. Thus, several American producers conveyed quite strongly their sense of having to buck the system to get something worthwhile on the air. This is because, one said when comparing television in the United States and Britain, "We have a different market, we have a more mass appeal, more demands from commercials and advertisers, which are built into the system." "Within such a system," he went on, "you can come out with something worthwhile especially in movies of the week," but "what I'm saying is that with the creative process you have all these limitations; you have to tiptoe through the tulips to get what you want." This contrasted with a British producer's belief that, with all its imperfections, his organization represented quality:

> The idea of the BBC as an organization, founded by God for all eternity, that has certain standards of broadcasting and the excellence of programmes is what it stands for and it doesn't have to please anyone else --I mean, all of this is not actually quite true in the real world but the idea that what it represents is the excellence of programmes, not the ability of programmes to sell something, that is a very important idea in British broadcasting.

Production and bureaucracy

The American and British informants seemed to be talking about two radically different approaches to the inherent problems of a cultural bureaucracy.

Much in American network television is traceable to the direct link between individual program ratings and advertising income, allied to much uncertainty over what will attract a large audience. So before letting something go on the air, Entertainment Division officials are under pressure to look for guarantees of high audience appeal and to reduce risks--taking it on themselves, then, to as if

"represent" the audience's likely reactions in their dealings with program makers. This legitimatizes the involvement of network officials in production, which is not just a matter of selecting the most promising proposals, backing them financially, being available for consultation over doubtful points and reacting to final scripts. In principle (and sometimes in practice) such involvement has been total, continuous and detailed, though the network "men in their suits" are sometimes torn between giving producers their creative heads and stepping in to put something right. Casting control, then, has applied not only to major characters but also to guests and to minor players and can even cover numerous network visitations and suggested changes during the week of filming, though the extent and manner of such intervention might vary by network and kind of show.

In the British system, however, production units operate in a more autonomous way after program approval is gained, referring upwards on doubtful points and getting many of their commendations and rockets after the fact. Thus, Nossiter (1986) found that five features of the British production system stood out from his material: (1) the broad-brush character of the commissioning of programs; (2) the high degree of producer autonomy within agreed allocations; (3) the short chains of decision-making; (4) the multi-dimensional nature of the review of the on-going performance of output; and (5) within that assessment the premium placed on professional judgment and even hunch.

The imagined viewer

Finally, the two broadcasting systems seem to foster different perceptions, or constructions, of the standard audience member. A system that is entertainment dominated tends to presume that viewers are not normally looking for a deeper involvement--as when a network official told us that children simply would not watch anything other than cartoons and another said that viewers of campaign news only wanted to find out who was likely to win the election race. The British system, however, still harbors a sense of service to the audience member that is not unduly compromised by cynicism. It supposes that audience members can somethimes be stretched by offerings without going way over their heads or transgressing their bounds of tolerance. It expects broadcasting to hold a watching brief for sides of our natures that might be neglected, stultified and dried up if only our easiest options and preferences were always catered for. As the following remarks by Denis Forman (1987), chairman of the Granada Television Company, show, among some British broadcasters there is even a faith that if such a philosophy is well implemented, audience satisfaction itself will be optimized:

> So what does the public want? At any time of the day or night, the majority will want Dallas or a game show most. Thus, if you string together an endless belt of soap operas and quizzes, you will get most of the people most of the time but your channel will no longer cater for the minorities, who together are not only just as numerous as the Dallas audience but are also the same people watching at a different time, and with much more commitment . . . . So what is the nature of our choice likely to be? Are sixteen programmes, none of which you really want to see, better than four programmes, one or two of which make your pulse beat faster?

II

In the foregoing we have reviewed material from two different broadcasting systems, comprising different mixtures of regulatory controls, funding sources, producer incentives, motives and rewards, and underlying norms. The comparison sheds light on the roles of regulation and de-regulation from four perspectives.

First, it strongly suggests that broadcast regulation is not necessarily an inherently oppressive force, limiting what producers provide and audiences get, the dissolution of which unleashes communicator freedom. It is true that regulation entails costs--a sort of tax on all involved in the system--and can pave the way for instances of politically motivated intervention (though British broadcasting has been organized to keep these to a minimum and to prevent programming from falling consistently under the thumb of any single social or political group). Nevertheless, in the absence of regulation, other constraints may structure production and provision at least equally firmly. After all, what de-regulation directly releases in the first instance is the drive for profitability, the impact of which may then be to press creative efforts into relatively narrow molds. Even the broadcast consumer does not necessarily benefit, for, as the Peacock Committee report (1986)--a pro-market document in many respects--pointed out:

> An advertising-supported sytem will lead to programme diversity only to the extent that different advertisers are willing to pay to associate their messages with different programmes. The important point from an efficiency perspective is that there is no reason why the value of programmes to advertisers should correspond to the value attached to the programmes by viewers and listeners. In fact, the value to advertisers and the value to the audience of a particular programme may well differ markedly.

Second, the British case shows that broadcasters can internalize not only popular audience-building concerns but also public service standards of creativity, quality, originality, boldness, programming worthy of involvement and a broad-ranging service to the viewer. If a good principle of broadcasting policy is, in the words of the late Sir Huw Weldon (former BBC executive), that the producer should be able to provide what is "in him to give," then a suitable regulatory framework can help to sustain his or her ability to work for such creative standards in the face of many other encroaching and undermining forces and demands.

Third, such an approach need not involve an elitist assault on audience preferences. In an analysis of British viewing data for a week in the winter of 1985, for example, Professor Andrew Ehrenberg (1985) of the London Business School found that "people distribute their viewing widely between different types of programmes," not always going for the most popular ones and often choosing a lower-share program instead. Thus, just over a half of the British public's viewing time was spent on what he called entertainment (including game and quiz shows, variety, light dramatic series and serials, situation comedies, movies and sport), while about 40% was devoted to more demanding programming (such as plays, music and arts material, documentaries, and news and current affairs programs). In fact, only three individuals out of a hundred had spent less than 10% of their viewing time on the demanding programs and only two egg-heads out of a hundred had spent more than 70% on the more demanding fare.

This analysis suggests that if more demanding programs are given status in the schedules and sufficient resources (through cross-subsidization) to keep production values high, a goodly proportion of most people's viewing (not just that of the middle-class/professional literati) will be spent in their company. As Ehrenberg concluded:

> Broadcasting minority-taste programmes is not paternalism--trying to make people watch what is good for them. . . . Instead it lets people choose to watch their individual selections of programmes for substantial parts of their viewing time. . . . And the choice is not forced: during the main viewing hours we almost always have two, and often three, less demanding alternatives.

Fourth, put most generally, regulation (properly designed) can be an agent of pluralistic values: multiplicity of audiences served and audience images entertained; diversity of offerings in the schedules from which viewers can choose; and pluralism in the kinds of creative opportunities available to program makers to do and say different things. Instituted at a time of spectrum scarcity, regulation of the British type facilitated a sort of "internal pluralism" in the services of a bounded system that was dominated by just a few major providers. It is apparently the hope of de-regulators in this country that the multiplicity of channels of the new media scene will usher in a regime of "external pluralism." But that depends on (a) the degree to which the owners and suppliers of the new channels eschew seduction by the same large audience-maximizing drive that the networks have always been obliged to obey and (b) the level of resources that the committed narrowcasters can muster to make their alternative wares worth watching. Although it may be difficult to see how in these new

circumstances old-style regulation can promote internal or external pluralism, it could also be utopian to expect an unfettered commercial marketplace to do the trick. We may therefore need to give more thought to what we mean by such a marketplace. As the Peacock Committee report (1986) pointed out:

> There is a bad tradition in analytical economics of presenting the model of "consumer sovereignty" as if consumers had only known and static wants. This ignores the important feature of the competitive market as a "discovery mechanism" for finding out by trial and error what the consumer might be enticed to accept ... and for trying out new and challenging ideas.

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BROADCAST DEREGULATION
Chair: Robert Entman

W. Russell Neuman: The Economics of Narrowcasting

Analyzes the tension between new technologies which make possible more personalized and specialized narrowcast communication and the economies of scale in the production and distribution of public communication which constrain narrowcasting. Thus far, cable television, TVRO's, and prerecorded videocassettes have tended to serve as conduits for familiar movies, sports, and network reruns rather than specialized or original programming. Personalized videotex and teletext systems and floundering. Are there realistic policy options which would facilitate diversity and pluralism in public communications, take advantage of new technological options and still prove to be viable in a climate of regulatory restraint?

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